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Day Pitney LLP

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BOSTON CONNECTICUT NEW JERSEY NEW YORK WASHINGTON, DC

DENNIS R. LAFIURA
Attorney At Law

Mail To: P.O. Box 1945 Morristown, NJ 07962
Deliver To: 200 Campus Drive Florham Park, NJ 07932
T: (973)966-8068 F: (973)966-1015
dlafiura@daypitney.com

May 19, 2008

VIA FACSIMILE

Honorable Peter G. Sheridan
United States District Court
for the District of New Jersey
M.L. King, Jr. Federal Bldg. & Courthouse
50 Walnut Street
Newark, NJ 07102

Re: Liberty Lincoln-Mercury, Inc., et al. v. Ford Motor Company
Civil Action No. 02-4146(PGS)

Dear Judge Sheridan:

In accordance with my telephone conversation of earlier today with Deputy Clerk Dolores Hicks, I am writing on behalf of counsel for all the parties in response to the Court's May 16 notice scheduling a settlement conference in this case for this Wednesday, May 21, at 11:00 a.m. For the reasons that follow, counsel are of the view that a settlement conference at this point is extremely unlikely to be useful and, therefore, request that it be canceled or adjourned.

As Your Honor knows, Ford's appeal from the entry of the preliminary injunction in this matter is pending before the Third Circuit, which has indicated that oral argument will be scheduled between June 24 and June 27. In addition, Magistrate Judge Salas has been actively managing this case. The last conference before Judge Salas was held on April 28, and resulted in the entry of the enclosed Case Management Order. As Your Honor will see, Judge Salas' Order requires certain discovery to go forward, while other aspects of discovery have been stayed pending resolution by the Third Circuit of the pending appeal.

The issues that have divided the parties and made settlement virtually impossible, including what the parties have described as the "pass on" issue, remain unresolved. Moreover,

*So I advised
the court will
conduct this telephone
conference on May 21, 2008
at 11:00 a.m. Day Pitney
will set up the phone
call. contact your adversary
Peter H. Hershman
5/19/08*

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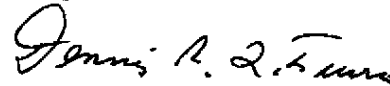
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discovery on damages is both incomplete and, with respect to certain topics, stayed. Given these circumstances, counsel respectfully request that the settlement conference be canceled or adjourned.

Respectfully yours,



Dennis R. LaFiura

DRL/mbg

Enclosure

cc: Stephen R. Knox, Esq. (w/enc.) (via facsimile)
Carla W. McMillian, Esq. (w/enc.) (via facsimile)
Jennifer M. Rubin, Esq. (w/enc.) (via facsimile)